

## New milk supply arrangements for Nestlé Zimbabwe

The Dairy Board of Zimbabwe yesterday, 1 October 2009, informed the Gushungo Dairy Estate and the seven other farms with whom Nestlé Zimbabwe began working on a temporary basis in February 2009, that it is now in a position to resume purchasing their milk. Nestlé Zimbabwe therefore will no longer be receiving milk from these eight farms from Sunday, 4 October 2009.



In February 2009 the food and economic crisis in Zimbabwe reached a level where the dairy industry was risk of collapse, and the Dairy Board was no longer able to buy milk from these eight farms. According to Nestlé, it stepped in and bought the milk on a temporary basis to prevent a further deterioration in food supplies in Zimbabwe at the time.

Nestlé Zimbabwe had to recently defend its decision to buy milk from Gushungo Dairy Estate, a formerly white-owned farm taken over by Grace Mugabe, wife of President Robert Mugabe, saying it had to purchase milk from a wide variety of suppliers including the Gushungo Dairy Estate.

In light of the recent controversy surrounding its relationship with the Gushungo Dairy Estate, Nestlé has said it hopes that the announcement regarding its detachment from the estate will reflect its long-term commitment to Zimbabwe while acknowledging the specific circumstances around its dealings with the Gushungo Dairy Estate.